

AMENDED IN ASSEMBLY APRIL 26, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2403

Introduced by Assembly Member Audra Strickland

February 19, 2010

~~An act relating to public contracts.~~ *An act to add Sections 11004.5, 11004.6, 11004.7, and 11004.8 to the Government Code, relating to state government.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2403, as amended, Audra Strickland. ~~Public contracts: study: accountability.~~ *State government: audits and contracts: reporting.*

Existing law authorizes state agencies to contract on behalf of the state, and to terminate, amend, or modify the contract, as specified. Existing law requires the State Auditor to examine and report annually upon the financial statements prepared by the executive branch, and to perform audits that are mandated by statute.

This bill would require each state agency to post on the state's Reporting Transparency in Government Internet Web site, by February 15, 2011, every audit of its operations finalized between January 1, 2008, and December 31, 2010, and every contract entered with a total value of \$5,000 or more entered into by a state agency between January 1, 2008, and December 31, 2010, and commencing January 1, 2011, post audit results on that site within 15 days of completion of an audit, and every contract with a value of \$5,000 or more, entered into by a state agency. The bill would also require the Chief Information Officer, commencing January 1, 2011, to post specified information relating to new contracts entered into by a state agency, and would require the office of the Governor to post every statement of economic interest and

travel and expense report of its staff, agency secretaries, department heads, and any official under the direct supervision of the Governor on the site.

~~Existing law Act establishes procedures for state agencies to enter into contracts for public works and to acquire goods and services.~~

~~This bill would set forth the Legislature's intent to enact legislation requiring a study of the state's procedures regarding its contracts with private businesses for the purpose of making recommendations to improve accountability.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. (a) Transparency is fundamental to promoting*
2 *efficiency and effectiveness in state government and strengthening*
3 *the democratic process by giving citizens enough information to*
4 *reach their own conclusions about how their tax dollars are being*
5 *spent.*
6 *(b) Audits of state agencies and their operations can provide*
7 *objective and measurable performance reviews and identify and*
8 *correct inefficient or wasteful practices.*
9 *(c) Californians seeking information on state governmental*
10 *operations are often frustrated because a myriad of oversight*
11 *entities perform audits of state agencies, and the information can*
12 *be difficult to access due to the lack of a Web-based, central*
13 *inventory of audits.*
14 *(d) Many internal audits that state agencies perform on their*
15 *own operations are finalized but never made public.*
16 *(e) Billions of dollars in state contracts are entered into each*
17 *year to purchase goods and services for the people of California,*
18 *and posting contracts on the Internet is an effective way to help*
19 *ensure that taxpayers are getting the best value and services are*
20 *being provided in an efficient manner.*
21 *(f) The Legislature's continuing commitment to promoting*
22 *transparency in state government is especially critical while*
23 *California's economy continues to struggle.*
24 *SEC. 2. Section 11004.5 is added to the Government Code, to*
25 *read:*

1 11004.5. (a) On or before February 15, 2011, each state
2 agency shall post to the state's Reporting Transparency in
3 Government Internet Web site every audit of its operations finalized
4 between January 1, 2008, and December 31, 2010.

5 (b) On and after January 1, 2011, each state agency shall, within
6 15 calendar days of finalization of any audit, post to the state's
7 Reporting Transparency in Government Internet Web site every
8 audit of its operations finalized from January 1, 2011.

9 (c) For purposes of this section, "audit" means any review or
10 evaluation performed by a state agency on itself or by another
11 entity, including, but not limited to, the Bureau of State Audits, the
12 Controller, the Department of Finance, a federal agency with
13 oversight responsibility of the operations of the state agency, or
14 any other nongovernmental organization that monitors or oversees
15 the state agency and that has received public funds.

16 (d) The Department of General Services and the office of the
17 State Chief Information Officer shall assist each state agency to
18 comply with the requirements of this section.

19 (e) This section shall not be construed to require the posting of
20 information in an audit, including, but not limited to, the identity
21 of any undisclosed expert consultant, that is confidential pursuant
22 to a court order, the attorney client privilege, or the attorney work
23 product exception, information, that, if posted, would jeopardize
24 peace officer safety, criminal intelligence information, ongoing
25 investigatory activities, or any security procedure, or any
26 information the disclosure of which is prohibited by law. Nothing
27 in this section shall be construed to limit the rights of the public
28 to access information pursuant to the California Public Records
29 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
30 of Title 1), or Section 3 of Article I of the California Constitution.
31 Any information withheld from posting shall be replaced with the
32 phrase, "CPRA exemption claimed."

33 SEC. 3. Section 11004.6 is added to the Government Code, to
34 read:

35 11004.6. (a) On or before February 15, 2011, the Department
36 of General Services and the office of the State Chief Information
37 Officer shall post any contract awarded by the state between
38 January 1, 2008, and December 31, 2010, with a total contract
39 value of five thousand dollars (\$5,000) or higher to the state's
40 Reporting Transparency in Government Internet Web site.

1 (b) Within 15 calendar days of signing by all parties to the
2 contract, each state agency party to a contract shall post to the
3 state's Reporting Transparency in Government Internet Web site
4 any contract it awarded from January 1, 2011, and forward with
5 a total contract value of five thousand dollars (\$5,000) or higher.

6 (c) The Department of General Services and the office of the
7 State Chief Information Officer shall assist each state agency to
8 comply with the requirements of this section.

9 (d) This section shall not be construed to require the posting of
10 information in a contract, including, but not limited to, the identity
11 of any undisclosed expert consultant, that is confidential pursuant
12 to a court order, the attorney client privilege, or the attorney work
13 product exception, information, that, if posted, would jeopardize
14 peace officer safety, criminal intelligence information, ongoing
15 investigatory activities, or any security procedure, or any
16 information the disclosure of which is prohibited by law. Nothing
17 in this section shall be construed to limit the rights of the public
18 to access information pursuant to the California Public Records
19 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
20 of Title 1), or Section 3 of Article I of the California Constitution.
21 Any information withheld from posting shall be replaced with the
22 phrase, "CPRA exemption claimed."

23 SEC. 4. Section 11004.7 is added to the Government Code, to
24 read:

25 11004.7. Commencing January 1, 2011, the Department of
26 General Services and the Chief Information Officer shall post the
27 following information for each contract entered into, renewed, or
28 amended by any state entity:

29 (a) The name and contact information of the entity or person
30 with which the state proposes to contract.

31 (b) The organizational character of the entity, whether public
32 or private and whether for profit or nonprofit.

33 (c) The specific purpose or purposes of the contract.

34 (d) The total value of the contract.

35 (e) The distribution of the allocated funds for each purpose of
36 the contract.

37 (f) A list of all parties who have an interest in the entity,
38 including owners, board or directors and officers, auditors,
39 internal and external accountants, and all managers who will
40 receive or manage state funds.

1 *SEC. 5. Section 11004.8 is added to the Government Code, to*
2 *read:*

3 *11004.8. The office of the Governor shall post every statement*
4 *of economic interest and travel and expense report of its staff,*
5 *agency secretaries, department heads, and any official under the*
6 *direct supervision of the Governor to the Reporting Transparency*
7 *in Government Internet Web site.*

8 ~~SECTION 1. It is the intent of the Legislature to enact~~
9 ~~legislation requiring a study of the state's procedures regarding its~~
10 ~~contracts with private businesses for the purpose of making~~
11 ~~recommendations to improve accountability.~~